New and Outstanding Issue

The Orlando Realty Corporation Limited

400,000 Shares

(without par value)

Of the 400,000 shares offered by this prospectus, 300,000 shares are being sold by the Company and 100,000 shares are being sold by the selling shareholders shown under "Principal and Selling Shareholders" on page 10. The Company will receive no part of the proceeds from the sale of such shares by the selling shareholders.

There is no market for the shares of the Company and the price for this offering was determined by negotiation between the Company, the Selling Shareholders and the Underwriter named herein.

Application has been made to list the shares on The Toronto Stock Exchange. Acceptance of the listing will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

In the opinion of our counsel, Messrs. Osler, Hoskin & Harcourt, these shares will be an investment in which the Canadian and British Insurance Companies Act states that a company registered under Part III thereof may, without availing itself for that purpose of the provisions of subsection (4) of Section 63 of the said Act, invest its funds.

Price: $11.50 per share

We, as principals, offer these shares subject to prior sale, if, as and when issued and accepted by us and subject to the approval on behalf of the Company as to all legal matters by Messrs. Magerman & Page, Toronto, as to certain legal matters by Messrs. Borden, Elliot, Kelley & Palmer, Toronto and on our behalf as to all legal matters by Messrs. Osler, Hoskin & Harcourt, Toronto who may rely on the opinion of Messrs. Magerman & Page as to matters of title.

	Price to public	Underwriting discount	Proceeds to Company (1)	Proceeds to selling shareholders (2)
Per share...........	$11.50	$ .69	$10.81	$10.81
Total...............	$4,600,000	$276,000	$3,243,000	$1,081,000

(1) Before deduction of the Company's share of expenses of the offering estimated at $48,000.

(2) Before deduction of the selling shareholders' share of expenses of the offering estimated at $12,000.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that share certificates in definitive form will be available for delivery on or about June 17, 1969.

Wood Gundy Securities
Limited

Toronto Montreal Winnipeg Vancouver Halifax Quebec Saint John
Ottawa Hamilton London Kitchener Regina Saskatoon
London, Eng. Edmonton Calgary Victoria New York

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The Company

The Orlando Realty Corporation Limited (the "Company") is principally engaged in the development and construction of industrial and commercial properties and apartment buildings and in the management of such properties as are retained by it for investment purposes.

The Company is the continuing corporation resulting from the amalgamation under the laws of Ontario, confirmed by letters patent of amalgamation dated April 1, 1969, of Orlando Realty Corporation Limited and three related companies, namely Orwell Investments Limited, Pave-Al Limited and Orlando Construction Limited. The principal and head office of the Company is located at 6205 Airport Road, Malton, Ontario.

Reference herein to the Company extends to all predecessor corporations which have from time to time carried on the various operations now carried on by the Company.

Use of Proceeds

The estimated net proceeds from the sale of the 300,000 shares being issued by the Company, amounting to $3,195,000, will be used to repay loans outstanding in the aggregate principal amount of $171,942 (including unsecured current advances of $71,942 from related companies for working capital), and the balance will be added to working capital and will also be used substantially to acquire land for development.

Capitalization

	Authorized	Outstanding as at December 31, 1968	Outstanding as at April 25, 1969	Outstanding as at April 25, 1969 after giving effect to this financing
DEBT				
Current				
Secured loan[1]		$ 100,000	$ 100,000	—
Long term				
Mortgages on Income Properties[2]				
8½% First mortgage due 1993		712,839	710,632	$ 710,632
8% First mortgage due 1993		499,248[3]	496,963[3]	496,963
7% First mortgage due 1995		1,624,048	1,617,598	1,617,598
7% First mortgage due 1998		1,998,813	1,995,512	1,995,512
7¼% First mortgage due 1999		1,377,213[4]	1,560,676	1,560,676
Sundry mortgages		3,258,274	3,112,518	3,112,518
Loan payable in instalments to 1973[5]		168,528	167,779	167,779
CAPITAL STOCK				
Shares without par value[6]	3,000,000 shs.	1,000,000 shs. ($164)	1,000,000 shs. ($164)	1,300,000 shs. ($3,243,164)

NOTES: (1) Secured by a second mortgage on an income property.

(2) Reference is made to "Table of Income Properties" on page 8 and to Note 11 of the Notes to Pro Forma Combined Financial Statements on page 15.

(3) Face amount of $700,000 not yet fully advanced.

(4) Face amount of $1,569,449 not fully advanced as at December 31, 1968.

(5) Secured by a mortgage of a first mortgage held by the Company.

(6) Gives effect to the issue of Letters Patent of Amalgamation dated April 1, 1969 converting the aggregate number of issued shares of the amalgamating companies into 1,000,000 issued shares without par value of the Company and creating an additional 2,000,000 authorized but unissued shares. 49,750 shares have been reserved for allotment under outstanding stock options referred to on page 11.

(7) Reference is made to Note 15 of the Notes to Pro Forma Combined Financial Statements on page 16 for particulars of lease commitments.

Business of the Company

History

The business now carried on by the Company began in 1948 with the formation by Carlo Fidani, his sons, Orey Fidani and Rinaldo Fidani and his son-in-law, William Bartolini, of a partnership known as Carlo Fidani & Sons which engaged principally in residential development and, to a lesser extent, industrial construction. However, by 1952, realizing the potential of the "package deal" concept for industrial and commercial construction, they began concentrating their efforts in this direction. Until 1963, the business was carried on through a number of corporations, certain of which were then amalgamated to continue as one corporation under the name of the principal company, Orlando Realty Corporation Limited.

In 1965 the Company's first joint venture with North American Life Assurance Company ("North American") was entered into for the purpose of developing a large tract of land in the Town of Mississauga now known as Airport Industrial Park. Since then the Company has entered into two other property development ventures with North American. After 1963, other companies were incorporated to carry out various aspects of the Company's expanding business. On April 1, 1969 a further consolidation of the companies owned by members of the Fidani family was accomplished by the amalgamation of three of such companies with Orlando Realty Corporation Limited to form the Company.

The growth of the Company's business is illustrated by the following table:

	Year Ended December 31		Four Months Ended December 31	Year Ended August 31		
	1968	1967	1966	1966	1965	1964
Area of industrial and commercial buildings owned (square feet) (1).	680,700	410,500	350,500	330,500	230,000	200,000
Area of industrial and commercial buildings constructed in each period (square feet) (2)..........	1,027,900	601,200	190,000	484,500	312,000	264,500
Number of apartment units owned (3)............................	506	374	374	374	374	194
Gross revenues....................	$10,889,862	$7,570,535	$2,532,684	$3,510,969	$469,702	$2,964,559
Cash flow (4).....................	$ 1,095,346	$ 901,133	$ 346,767	$ 250,977	$100,233	$ 162,462
Cash flow per share (5)............	84.3¢	69.3¢	26.7¢	19.3¢	7.7¢	12.5¢

NOTES: (1) The Company has contracts for the construction and leasing during 1969 of several industrial buildings comprising approximately 194,000 square feet.

(2) In addition to the construction contracts referred to in (1) above, the Company has contracts for the construction for clients during 1969 of several industrial buildings comprising approximately 272,000 square feet.

(3) Through a joint venture with North American, the Company has a 50% interest in a 510-unit apartment development, the construction of which it anticipates will commence in 1969. Reference is made to Note 6 of the Notes to Pro Forma Combined Financial Statements on page 15.

(4) Earnings of the Company after income tax for the periods ended above plus depreciation and deferred income taxes and after giving effect to adjustments of earnings as originally reported. Reference is made to the Reconciliation of Net Earnings as Originally Reported and Net Earnings as Adjusted appearing on page 14 and to Note 7 of the Notes to the Pro Forma Combined Financial Statements on page 15.

(5) Based on the number of shares to be outstanding after giving effect to this financing.

Future

The Company proposes to increase its present level of activity in the assembly, planning and development of land suitable for industrial and commercial use and to continue to market such land on a package deal basis for sale or lease. In addition, the Company is endeavoring to assemble land with a view to extending its activities to residential land development.

The Package Deal

The "package deal" or "turn-key" contract represents an approach to real estate development whereby only one person or company assumes responsibility for an entire construction project from the selection of a site to the completion of a finished building that is sold or leased to a client.

Traditionally, a client engages an architect who then retains others such as surveyors, soil consultants and structural and mechanical engineers to assist him in the planning of the project. Independent reports are submitted for examination by the client and the architect and on the basis of these reports the job is then let out for tenders. The cost of the job to the client is known only after tenders are received and preliminary expenses have been incurred. If such cost should be unacceptable, either the project is discontinued, or, at additional cost to the client, revisions must be made and the job again put out for tender.

The package deal eliminates many of the problems which may be encountered in connection with the construction of new premises under the traditional method of development. The Company, having regard to the applicable zoning, building and other regulations of the various governmental authorities, undertakes a comprehensive assessment of the client's requirements, including site selection, size and shape of building, organization of manufacturing and warehousing facilities, office layout, production equipment requirements and trucking and shipping facilities. A proposal is then submitted to the client consisting of plans and specifications together with a fixed price quotation and completion date, all without cost or obligation to the client. The cost of the project is, therefore, known to the client immediately after the feasibility study and before any expenditure is authorized. If the proposal is accepted, the client will thereafter deal only with the Company. The possibility of a break-down in communication or in the co-ordination of efforts as between the architect, engineer, contractor, sub-trades and other independent contractors is therefore avoided, as are the expense and difficulty of determining responsibility between various parties for any problems which may arise during the course of construction and following completion.

The experience of the Company with the turn-key contract enables it to plan and complete the project with a minimum of delay. In addition, the Company's knowledge of cost factors and ability to purchase in volume enable it to meet a prospective client's requirements on an economically attractive basis.

Since 1964 the Company has constructed 59 buildings as package deals, of which 19 have been retained as income properties.

Joint Ventures

Airport Industrial Park

The Company entered into its first joint venture agreement with North American in 1965. Under this and a later agreement, 549 acres of prime commercial and industrial land in the immediate vicinity of Toronto International Airport were selected by the Company. This land, now comprising Airport Industrial Park, was acquired by North American for development by the Company. It is the intent of these agreements that the Company will construct the industrial and commercial buildings and North American will have the opportunity to provide the financing to prospective purchasers. On the sale of the sites to clients the excess of the selling price over the actual cost is allocated on an agreed basis to the Company and North American. Sites purchased by the Company from North American for the construction of buildings for lease are acquired at the price which would otherwise be payable by clients less an adjustment to reflect the share of profit allocated to the Company. To date, Airport Industrial Park has attracted 41 different industries and is fully developed to the extent of approximately 270 acres on which the Company has constructed approximately 1,912,000 square feet of industrial and commercial facilities. The Company expects that the remaining industrial acreage (227 acres) will be fully utilized by the end of 1974 and the commercial acreage (52 acres) by 1977.

Airport Industrial Park owes its success to its prime location, careful planning and the quality and control of construction carried out by the Company.

In selecting land for the Park the Company undertook a feasibility study to determine the suitability of the area for development. This involved an investigation of the availability of labour, public utilities and services, accessibility to major traffic arteries and other transportation facilities, property tax rates and

applicable municipal building and zoning regulations. It also involved a determination of the suitability of the land from the point of view of drainage, soil conditions and freedom from incompatible easements. The Company then prepared a master plan for the area designating the sites for buildings, roads, utilities and other municipal services, site coverage specifications, material standards and general maintenance controls. This plan forms the basis of all present and future development in the Park.

The following table shows buildings which have been constructed by the Company in the Park to date. Nineteen of these buildings are owned by the Company and leased to clients.

Owner or Tenant	Area (square feet)
*Allis-Chalmers-Rumely Limited	20,750
American Can Co. of Canada Ltd.	199,100
Associated Tools & Manufacturing Ltd.	25,000
Baxter Laboratories Limited	45,914
*Bayer Dyestuffs and Chemicals Limited	20,324
*Braun Electric Canada Ltd	25,500
Canada Wire and Cable Company Limited	115,442
Canadian ASEA Electric Limited	26,300
Canadian Bearings Limited	17,204
*Canadian Industries Limited	92,100
Capitol Records of Canada Limited	50,700
Detroit Mouldings & Engineering Ltd.	10,000
Domtar Construction Materials Limited	82,000
Gray Co. Inc.	10,000
*A. B. Green Agencies Limited	45,143
*Hawker-Siddeley Canada Ltd.	60,000
*Hyster Canada Ltd.	22,986
John Williams Machinery Ltd.	20,076
Kohler of Canada Limited	82,737
*Lewis & Reid Limited	20,000
*Liftow Limited	25,000
Lomas Chemicals Ltd.	25,500
Mallinckrodt Chemicals Ltd.	9,025
McLaren, Morris & Todd Limited	38,170
Oshawa Wholesale Limited	326,000
Playtex Limited	30,000
Plough Inc.	40,612
Rock Drill Rod Co. Ltd.	20,100
Seven-Up (Ont.) Ltd.	132,938
Tek Plastics Ltd.	80,000
Union Carbide of Canada Limited	30,000
*Vandervell Canada (1968) Ltd.	25,320
*Office Building	
Tenants	
Canada Precision Devices Ltd.	416
Canadian Trailmobile Ltd.	2,011
Heating, Airconditioning and Refrigeration Institute of Canada	1,623
The Orlando Realty Corporation Limited	5,600
A Canadian Chartered Bank	3,318
Scotts Franchising	900
Texaco Canada Ltd.	3,452
White Motor Co. of Canada Ltd.	12,237
Vacant	4,171
*Industrial Mall (comprising eight buildings)	
Tenants	
Century Lighting of Canada Ltd.	15,000
Greenshields, Hodgson, Racine Ltd.	15,010
Harshaw Chemical Co. Ltd.	12,750
McCulloch of Canada Ltd.	12,750
Morse-Chain Division—Borg Warner (Canada) Ltd.	15,000
Stanley-Berry Limited	10,500
Leases under negotiation (two buildings)	23,000
	1,911,679

***Owned by the Company.**

Williamsport Place

The success of the first venture led to others with North American, one of which involved the development of an apartment building complex near the intersection of Dixie Road and Bloor Street, in the Town of Mississauga pursuant to an agreement entered into in 1967. Under this agreement approximately 11 acres, zoned to permit the erection of high-rise apartment buildings, which had been acquired for development by the Company and divided into four high-rise apartment sites, were purchased by North American and leased to the Company for five years at an annual rental equal to $7\frac{3}{4}\%$ of the purchase price. Two of the sites have been developed by the erection of a 132-suite apartment building on each. One of these sites is now owned by the Company and the other by North American, both sites having been withdrawn from the above lease. Both buildings are presently managed and operated by the Company. If either the Company or North American wishes to sell its interest in any of the four sites after they are developed, the other will have the first right of purchasing the same. With respect to the two sites which are as yet undeveloped and continue to be subject to the lease, it is intended eventually to proceed with their development on a basis similar to that of the first two sites. The agreement provides that North American will, when requested by the Company, sell to the Company the site or sites required for construction and that, if the Company has not so requested, North American may, at certain specified times during the currency of the lease, compel the Company to purchase first one and then the other of such sites. In either case, the purchase price payable is based substantially on North American's costs of acquisition plus carrying charges.

Six Points Development

In 1968 the Company entered into its third joint venture agreement with North American. Under this agreement 3.8 acres of land in the Borough of Etobicoke were purchased for development by the Company as a site for two high-rise apartment buildings. Rezoning to permit the construction of these buildings has been approved by the Borough and is awaiting final approval of the Ontario Municipal Board. For the purposes of the joint venture, North American and the Company have incorporated two private companies in each of which the Company and North American each have a 50% interest. The agreement provides each party with the option to require the exchange of shares held in the two private companies, the effect of which, if exercised, would be to give each of North American and the Company full beneficial ownership of one or other of the two private companies. Thereafter, each of North American and the Company has the first right of refusal in the event of a sale of shares or assets of the private company owned by the other. The agreement also provides that the apartment blocks and lands shall be managed by the Company.

Income Properties

The Company presently owns and leases 25 industrial buildings with a total floor area of approximately 640,600 square feet. All of these buildings were constructed by the Company under the package deal concept and of these 19 are located in Airport Industrial Park.

The Company owns three apartment buildings containing in the aggregate 506 apartment suites substantially all of which are currently under lease to tenants. In addition, the Company manages a 132-suite building for North American. Three office buildings owned and constructed by the Company, having an aggregate net rental area in excess of 40,000 square feet, are almost fully occupied.

As at December 31, 1968, the depreciated book value of the Company's interest in all completed income properties was $11,534,570. Each of these properties is subject to a mortgage and the aggregate principal amount of all such mortgages as of that date was $9,470,435.

On the basis of normal occupancy, these income properties currently provide a gross annual rental income of approximately $1,736,000. Further particulars of these income properties are contained in the following table:

Table of Income Properties as at December 31, 1968

Properties	Year Completed	Lease Expires	Mortgage Amount	Mortgage Rate	Mortgage Due Date	Apartments (Number of Suites)	Industrial and Office (Rentable Square Feet)
INDUSTRIAL							
115 City View Drive	1961	1981	$ 70,616	7 %	1981		20,000
901 Oxford Street	1963	1983	66,880	7	1983		10,173
923 Oxford Street	1963	1973	63,921	7	1980		12,100
919 Oxford Street	1963	1978	45,980	7	1978		10,000
907 Oxford Street	1959	1979	96,590	7	1979		30,240
121 City View Drive	1960	1975	41,688	7½	1980		12,000
1461 Castlefield Avenue	1959	1980	139,321	7	1979		30,688
19 Shorncliffe Road	1964	1978	56,510	7	1984		10,000
315 Rexdale Boulevard	1965	1984	209,842	7	1985		52,068
75 Millwick Drive	1964	1984	53,414	7¼	1974		11,400
15 Shorncliffe Road	1966	1976	203,708	7	1986		37,500
*3180 American Drive	1966	1986	121,086	7¼	1986		20,100
*3230 American Drive	1966	1976	117,207	7½	1986		20,000
*3150 American Drive	1967	1991	191,228	7¼	1992		25,000
*6325 Northam Drive	1967	1976	214,663	7¾	1987		23,153
*3090 American Drive	1967	1987	153,306	7¾	1987		20,000
*6300 Viscount Road	1967	1977	347,475	8	1987		60,000
*6450 Viscount Road	1968	1988	180,000	9	1993		25,320
*6395 Northwest Drive	1968	1993	712,839	8½	1993		92,182
*6420 Viscount Road	1968	1983	305,211	8¾	1993		45,143
*6380 Viscount Road	1968	1983	162,068	8	1988		20,324
*6330 Viscount Road	1968	1977		8	1988		10,500
*6334 Viscount Road	1968	1978		8	1988		15,000
*6338 Viscount Road	1968	1973	341,833	8	1988		12,750
*6342 Viscount Road	1968	1978		8	1988		15,000
Total Industrial			$3,895,386				640,641
OFFICE							
2496 Kingston Road	1963	1973	19,841	6¾	1978		1,340
3335 Bloor Street West	1966	1975	55,886	7¼	1986		5,000
*6205 Airport Road	1968		499,248	8	1993		33,728
Total Office			$ 574,975				40,068
APARTMENT							
50 Islington Avenue North	1965		1,624,048	7	1995	194	
90 Cordova Avenue	1968		1,998,813	7	1998	180	
1485 Williamsport Street	1969		1,377,213	7¼	1999	132	
Total Apartment			5,000,074			506	
TOTAL			$9,470,435			506	680,709

*Airport Industrial Park.

Management

Orey Fidani, Eddie Fidani and William Bartolini have all held positions in the management of the business of the Company since 1952 and accordingly have had over 16 years' experience in the real estate development business. In addition, the Company has a full time staff of 42, including personnel qualified in construction, engineering, financing, property management, estimating and design, the majority of whom have been employed in the business of the Company for five years or more. During the construction season the number of employees may increase by as many as 125.

Directors and Officers

Name and home address	Office	Principal occupation
OREY VINCENT FIDANI 15 Farningham Crescent, Islington, Ontario	Director President	President of the Company
VERN HEINRICHS 21 Dale Avenue, Toronto, Ontario	Director Executive Vice-President	Executive Vice-President of the Company
EDDIE FIDANI 5 Colchester Court, Islington, Ontario	Director Vice-President	Vice-President of the Company
WILLIAM BARTOLINI 15 Colwood Road, Islington, Ontario	Director Secretary	Secretary of the Company
HEINZ HAMISH 50 Islington Avenue North, Islington, Ontario	Director Treasurer	Executive of the Company
JOSEPH PATERSON Box 363, Richmond Hill, Ontario	Director Vice-President—Construction	Executive of the Company
ALBERT PAGE 27 Carnwath Crescent, Willowdale, Ontario	Director	Partner Magerman & Page, counsel for the Company
ROSS MALCOLM HANBURY 74 Clarendon Avenue, Toronto, Ontario	Director	Director Wood Gundy Securities Limited
JOHN BOCCIA 86 Willowridge, Etobicoke, Ontario	Vice-President—Equipment Division	Executive of the Company
JOSEPH BOCCIA 34 Blandorman, Toronto, Ontario	Vice-President—Road Development	Executive of the Company

During the last five years all of the directors and officers of the Company have been associated in various capacities with the companies or firms indicated opposite their names except Mr. Heinrichs who, prior to May 1969, was an executive with Murray & Company Limited and Mr. Joseph Paterson who, prior to 1967, was an executive of Taylor Woodrow of Canada Ltd.

Description of the Shares

Each shareholder is entitled to one vote at all meetings of shareholders for each share held and to share equally in respect of dividend rights and upon a winding-up or dissolution of the Company. All shares to be outstanding upon completion of the present financing will be fully paid and non-assessable.

Plan of Distribution

The shares offered by this prospectus are being purchased by Wood Gundy Securities Limited (the "underwriter"):

(i) as to 300,000 shares, from the Company at a price of $10.81 per share pursuant to an agreement dated May 28, 1969 between the underwriter and the Company, and

(ii) as to 100,000 shares, from the selling shareholders at a price of $10.81 per share pursuant to an agreement dated May 28, 1969 between the underwriter and the selling shareholders,

in each case upon payment in cash against delivery on or about June 17, 1969 and upon and subject to the terms and conditions set out in the said agreements and compliance with the necessary legal requirements. Under the said agreements the underwriter is obliged to take up and pay for all of the shares offered by this prospectus if any such shares are purchased.

All of the present holders of the shares of the Company have agreed that they will not, for a period of 60 days following the date of purchase by the underwriter, sell or otherwise dispose of any shares held by them at the time of such purchase, without the prior written consent of the underwriter.

Remuneration of Directors and Senior Officers

The aggregate direct remuneration paid by the Company to its directors and senior officers during the financial year of the Company ended December 31, 1968 was $194,250 and from January 1, 1969 to April 25, 1969 was $54,000.

Principal and Selling Shareholders

The following table shows, among other things, particulars of the principal shareholders, who are also the selling shareholders, the respective numbers of shares held by them at April 25, 1969 and the respective numbers of shares to be sold by them:

Name and address	Type of ownership	Number of shares owned	Percentage of class outstanding	Number of shares to be sold	Number of shares to be owned after this underwriting	Percentage of class to be owned after this underwriting
OREY VINCENT FIDANI 15 Farningham Crescent, Islington, Ontario	Beneficial and of record	350,000	35%	35,000	315,000	24.2%
WILLIAM BARTOLINI 15 Colwood Road, Islington, Ontario	Beneficial and of record	250,000	25%	25,000	225,000	17.3%
EDDIE FIDANI 5 Colchester Court, Islington, Ontario	Beneficial and of record	250,000	25%	25,000	225,000	17.3%
RINALDO FIDANI 15 Colwood Road, Islington, Ontario	Beneficial and of record Beneficial	149,995 5	15%	15,000	135,000	10.4%
		1,000,000	100%	100,000	900,000	69.2%

At April 25, 1969, the directors and senior officers of the Company as a group, owned beneficially, directly or indirectly, 85% of the then outstanding shares.

The principal shareholders are entering into an agreement (i) to appoint Orey Fidani as voting trustee for the purpose of voting all their shares (900,000) of the Company for the election of directors and ensuring that Orey Fidani, Eddie Fidani and William Bartolini will be elected directors; (ii) to give Orey Fidani, Eddie Fidani and William Bartolini, on a pro rata basis, rights of first refusal in respect of any sales by the principal shareholders of their shares of the Company; and (iii) not to effect any sale of their respective shares of the Company prior to April 30, 1974, which would result in the aggregate holdings of the principal shareholders being reduced to less than 51% of the issued and outstanding shares of the Company, unless at the date of such sale, the seller is no longer in the employment of the Company.

Orey Fidani, Eddie Fidani and Rinaldo Fidani are brothers and William Bartolini is their brother-in-law.

Stock Options

The Company has granted options to certain directors and senior officers and employees of the Company upon the terms and conditions set forth below:

Optionees	Number of shares optioned	Expiry date	Exercise price
Directors and senior officers	37,000	April 30, 1974	$10
Other employees	12,750	April 30, 1974	$10

All the options can be exercised at any time, in whole or in part, by the respective optionees, provided they are then in the employment of the Company.

Interest of Management and Others in Material Transactions

On April 22, 1969, the Company purchased from Orlando Construction Company construction equipment and vehicles for $132,700, being their appraised value. Orlando Construction Company is a partnership of four private companies owned by immediate relatives of the principal shareholders.

Ross Malcolm Hanbury, a director of the Company, is a director and shareholder of the underwriter and as such has an interest in the agreement made between the Company and the underwriter referred to under the heading "Plan of Distribution" on page 9.

The Company has paid fees for legal services rendered by a law firm of which a director of the Company is a partner.

Material Contracts

Particulars of material contracts entered into by the Company within the past two years, other than in the ordinary course of business, are as follows:

(1) Agreement dated May 28, 1969 between the Company and the underwriter referred to under the heading "Plan of Distribution" on page 9.

(2) Stock options granted by the Company to certain of its key personnel pursuant to agreements dated as of April 25, 1969. Reference is made to the heading "Stock Options" appearing above.

Copies of the foregoing agreements may be inspected during ordinary business hours at the head office of the Company during the primary distribution of the securities offered by this prospectus and for a period of 30 days thereafter.

Auditors, Transfer Agents and Registrars

The auditors of the Company are Messrs. Wm. Eisenberg & Co., 425 University Avenue, Toronto, Ontario.

The transfer agent and registrar for the shares of the Company will be Guaranty Trust Company of Canada, at its principal offices in Montreal, Toronto, Winnipeg, Calgary and Vancouver and the registers for the transfer of the shares will be kept at these offices.

The Orlando Realty Corporation Limited

Pro Forma Combined Balance Sheets

December 31, 1968

	Pro Forma Before Financing (note 1)	Pro Forma After Financing (note 2)
Assets		
Cash	$ 264,387	$ 3,287,445
Bank deposit certificates	800,000	800,000
Accounts receivable	467,032	467,032
Mortgages receivable (note 3)	204,510	204,510
Prepaid expenses and sundry assets	105,774	105,774
Inventory of work in progress at cost (note 4)	205,337	205,337
Properties under development at cost (note 5)	335,927	335,927
Investment in associated companies at cost (note 6)	1,140	1,140
Income producing properties at cost less accumulated depreciation of $198,659 (notes 7 and 12)	11,534,570	11,534,570
Furniture and equipment at cost less accumulated depreciation of $25,240 (note 8)	79,581	79,581
Deferred financing expenses (notes 2 and 9)	—	48,000
	$13,998,258	$17,069,316
Liabilities		
Accounts payable and accrued expenses	$ 983,396	$ 983,396
Secured loans (note 10)	268,528	168,528
Prepaid rents and deposits	88,911	88,911
Advances from related companies	71,942	—
Income taxes payable	64,539	64,539
Mortgages on income producing properties (note 11)	9,470,435	9,470,435
Deferred income taxes (note 12)	1,088,364	1,088,364
	12,036,115	11,864,173
Shareholders' Equity		
Capital Stock (note 1)		
Authorized		
3,000,000 shares without par value		
Issued and fully paid		
1,000,000 shares without par value (after financing—1,300,000 shares)	164	3,243,164
Retained Earnings	1,961,979	1,961,979
	1,962,143	5,205,143
	$13,998,258	$17,069,316

On behalf of the Board:

(Signed) O. Fidani, Director

(Signed) H. Hamish, Director

The accompanying notes are an integral part of the financial statements.

The Orlando Realty Corporation Limited

Pro Forma Combined Statement of Earnings (note 13)

	Year Ended December 31 1968	Year Ended December 31 1967	Four Months Ended December 31, 1966	Year Ended August 31 1966	Year Ended August 31 1965	Year Ended August 31 1964
REVENUE						
Construction Contracts (note 4)	$6,485,071	$5,842,398	$2,021,019	$2,490,397	$ —	$ 202,058
Property Sales	2,727,943	444,800	125,000	227,550	35,055	2,586,416
	9,213,014	6,287,198	2,146,019	2,717,947	35,055	2,788,474
Direct Costs	7,803,439	4,935,255	1,804,665	2,420,642	24,773	2,541,973
PROFIT ON CONSTRUCTION CONTRACTS AND PROPERTY SALES	1,409,575	1,351,943	341,354	297,305	10,282	246,501
RENTAL INCOME	1,302,088	1,074,782	322,441	754,987	430,965	165,350
Property operating expenses	418,981	336,074	84,638	241,123	123,345	33,444
Mortgage interest	473,161	427,573	118,982	285,539	177,779	70,755
Depreciation (note 7)	59,281	48,050	14,460	42,694	23,118	4,086
	951,423	811,697	218,080	569,356	324,242	108,285
NET RENTAL INCOME	350,665	263,085	104,361	185,631	106,723	57,065
PROFIT FROM JOINT VENTURE LAND DEVELOPMENT (note 14)	327,490	183,990	60,521	33,202	—	—
Interest and Sundry Income	47,270	24,565	3,703	4,833	3,682	10,735
	2,135,000	1,823,583	509,939	520,971	120,687	314,301
EXPENSES						
Selling, general and administrative	663,265	598,271	168,500	281,671	27,266	138,389
Interest other than mortgage interest on income producing properties	100,894	29,853	9,132	22,379	16,036	17,524
Depreciation of equipment (note 8)	12,072	7,392	362	4,072	993	945
	776,231	635,516	177,994	308,122	44,295	156,858
NET EARNINGS BEFORE INCOME TAXES	1,358,769	1,188,067	331,945	212,849	76,392	157,443
Income taxes payable	334,776	342,376	—	8,638	270	12
NET EARNINGS AFTER CURRENT INCOME TAXES	1,023,993	845,691	331,945	204,211	76,122	157,431
Deferred income taxes (note 12)	378,320	242,971	162,461	92,700	32,672	79,240
NET EARNINGS FOR THE YEAR	645,673	602,720	169,484	111,511	43,450	78,191

Pro Forma Combined Statement of Retained Earnings (note 13)

	1968	1967	Four Months Ended December 31, 1966	1966	1965	1964
Balance, beginning of the year	1,316,306	713,586	544,102	432,591	389,141	310,950
Net Earnings for the year	645,673	602,720	169,484	111,511	43,450	78,191
Balance, end of the year	$1,961,979	$1,316,306	$ 713,586	$ 544,102	$432,591	$ 389,141

The accompanying notes are an integral part of the financial statements.

The Orlando Realty Corporation Limited

Reconciliation of Net Earnings as Originally Reported and Net Earnings as Adjusted

	Year Ended December 31 1967	Four Months Ended December 31 1966	Year Ended August 31 1966	1965	1964
Net earnings (loss) as originally reported..	$364,098	$258,497	($ 71,222)	($166,240)	($ 51,642)
Adjustments (reflected in pro forma combined statement of earnings) made to net earnings as originally reported:					
Depreciation as originally reported....	381,114	84,790	273,422	207,963	142,624
Depreciation as adjusted (note 7).....	55,442	14,822	46,766	24,111	5,031
	325,672	69,968	226,656	183,852	137,593
Amounts capitalized as cost of properties (note 7)...........................	155,921	3,480	48,777	58,510	71,480
Deferred income taxes (note 12).......	(242,971)	(162,461)	(92,700)	(32,672)	(79,240)
	238,622	(89,013)	182,733	209,690	129,833
Net earnings as adjusted..............	$602,720	$169,484	$111,511	$ 43,450	$ 78,191

The accompanying notes are an integral part of the financial statements.

Notes to the Pro Forma Combined Financial Statements
December 31, 1968

1. PRO FORMA COMBINED BALANCE SHEET BEFORE FINANCING

The pro forma combined balance sheet before financing:

(a) gives effect to the issuance of letters patent of amalgamation dated April 1, 1969, inter alia:

(i) amalgamating Orlando Realty Corporation Limited, Orwell Investments Limited, Pave-Al Limited and Orlando Construction Limited to continue as one company under the name The Orlando Realty Corporation Limited; and

(ii) converting the issued shares of the amalgamating companies into 1,000,000 issued shares without par value of the Company and creating an additional 2,000,000 authorized but unissued shares; and

(b) combines the accounts of the aforementioned amalgamating companies.

2. PRO FORMA COMBINED BALANCE SHEET AFTER FINANCING

The pro forma combined balance sheet after financing gives effect to:

(a) issue and sale of 300,000 shares for $3,243,000 pursuant to an underwriting agreement dated May 28, 1969 between Wood Gundy Securities Limited and the Company;

(b) payment of expenses of issue estimated at $48,000;

(c) payment of $171,942 of other indebtedness; and

(d) increase in cash of $3,023,058.

3. MORTGAGES RECEIVABLE

These bear interest at an average annual rate of 8.6% and are receivable as to principal approximately as follows:

1969	$ 18,313
1970	3,602
1971	4,083
subsequent to December 31, 1971	178,512
	$204,510

4. Inventory of Work In Progress

The Company takes into income only those contracts which have been completed. Contracts which are not completed are shown at cost less progress billings.

5. Properties Under Development

Income producing properties under construction including land and construction costs	$255,327
Deposit and carrying costs of land zoned for high-rise apartment development which the Company has under option	80,600
	$335,927

6. Investment in Associated Companies

These investments are 50% interests in the issued shares of three companies, two of which intend to develop income producing properties on land they own.

7. Income Producing Properties

These properties are stated at cost. During 1968 the Company's accounting procedures were amended for the purpose of capitalizing the costs of acquiring and developing properties. In addition, the Company amended its depreciation policy in 1968 by the adoption of the sinking fund method under which an increasing amount, consisting of a fixed annual amount together with interest compounded at the rate of 5% per annum, is charged to income so as to depreciate fully the building portion of the properties over a fifty year period. One property is subject to a lease under which the tenant has an option to purchase the land and building for $1 in 1993 and is being depreciated in equal annual amounts so as to fully amortize its cost over the period of the lease. Depreciation on the equipment in rental properties has been provided on a 10% straight-line basis. Previously, the buildings and equipment in rental properties were depreciated on a 5% and 20% declining balance basis respectively. These changes have been reflected in the financial statements on a retroactive basis for the years 1964 to 1967 inclusive. The accumulated depreciation to 1963 has also been adjusted to reflect the depreciation rates adopted in 1968 had they been in effect in the years prior to 1964, resulting in a credit to retained earnings as at August 31, 1963 of $96,363 after providing for deferred income taxes of $100,000. A reconciliation of net earnings for the years 1964 to 1967 inclusive, shown in the pro forma combined statement of earnings, with net earnings as originally reported, appears on page 14.

8. Furniture and Equipment

This furniture and equipment includes automotive, office and contractor's moveable equipment at cost. Depreciation has been provided on a straight-line basis over periods varying from 7 to 10 years.

9. Deferred Financing Expenses

The Company intends to amortize deferred financing expenses in equal annual amounts over a three year period commencing January 1, 1969.

10. Secured Loans

Secured by a second mortgage on an income producing property	$100,000
Secured by a mortgage of a first mortgage held by the Company	168,528
	$268,528

These loans bear interest at an average annual rate of 10.3% and are repayable as to principal approximately as follows:

1969	$102,995
1970	3,278
1971	3,589
1972	3,928
1973	154,738

11. Mortgages on Income Producing Properties

These mortgages bear interest at an average annual rate of 7.40% and are repayable as to principal approximately as follows:

1969	$ 176,639
1970	190,478
1971	205,974
1972	221,916
1973	236,844
1974	267,978
1975	275,198
1976	292,500
1977	313,084
1978	350,324
subsequent to December 31, 1978	6,939,500

12. Income Taxes

Reference is made to note 7 with respect to capitalized costs and depreciation policy. For tax purposes, the Company has written off capitalized costs in the year incurred and has claimed amounts of depreciation which have exceeded recorded depreciation. For the foregoing and other reasons, income taxes currently payable have been reduced and the income taxes on the excess of earnings reported for statement purposes over taxable income have been recorded as deferred income taxes.

13. Pro Forma Combined Statements of Earnings and Retained Earnings
The pro forma combined statements of earnings and retained earnings includes earnings of the amalgamating companies for the following respective periods:

Orlando Realty Corporation Limited: Three years ended August 31, 1964 to 1966 inclusive; Four months ended December 31, 1966; Two years ended December 31, 1967 and 1968.

Orwell Investments Limited: Five years ended December 31, 1964 to 1968 inclusive.

Pave-Al Limited: Nine months ended December 31, 1966; Two years ended December 31, 1967 and 1968.

Orlando Construction Limited: Five years ended December 31, 1964 to 1968 inclusive.

14. Profit from Joint Venture Land Development
The Company participates with the owner of a land development project in the profits earned on land sales. Under the terms of this joint venture agreement, the profits are payable to the Company only as they are received by the owner and are included in income on this basis.

15. Lease Obligations
Annual rentals payable (exclusive of taxes, insurance and other occupancy charges) under leases expiring in 1971 and 1972 amount to $38,054.

16. Stock Options
The Company has reserved 49,750 shares of its authorized capital for stock options which have been granted to employees.

Auditors' Reports

To the Directors of
The Orlando Realty Corporation Limited:

We have examined the pro forma combined balance sheet before financing and the pro forma combined balance sheet after financing of The Orlando Realty Corporation Limited as at December 31, 1968 and the pro forma combined statements of earnings and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

(a) The accompanying pro forma combined balance sheet before financing presents fairly the financial position of the company as at December 31, 1968, after giving effect to the changes described in Note 1;

(b) The accompanying pro forma combined balance sheet after financing presents fairly the financial position of the company as at December 31, 1968, after giving effect to the changes set forth in Note 2;

(c) The accompanying pro forma combined statements of earnings and retained earnings presents fairly the results of operations of the company for the year ended December 31, 1968 on the basis set forth in Note 13,

all in accordance with generally accepted accounting principles applied on a consistent basis after giving effect to the changes, which we approve, described in Notes 7 and 12.

Toronto, Ontario,
May 28, 1969

(Signed) Wm. Eisenberg & Co.
Chartered Accountants

To the Directors of
The Orlando Realty Corporation Limited:

We have examined the pro forma combined statements of earnings and retained earnings of The Orlando Realty Corporation Limited for the years ended August 31, 1964 to 1966 inclusive, the four month period ended December 31, 1966, and the year ended December 31, 1967. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying pro forma combined statements of earnings and retained earnings presents fairly the results of operations of the company for the years ended August 31, 1964 to 1966 inclusive, the four month period ended December 31, 1966 and the year ended December 31, 1967 on the basis set forth in Note 13, all in accordance with generally accepted accounting principles applied on a consistent basis after giving effect to the changes, which we approve, described in Notes 7 and 12.

Toronto, Ontario,
May 28, 1969

(Signed) Tinkham, Wells, Hogg & Co.
Chartered Accountants

Purchaser's Statutory Rights of Withdrawal and Rescission

Sections 63 and 64 of The Securities Act, 1967 (Alberta), sections 63 and 64 of The Securities Act, 1968 (Manitoba), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan) and sections 63 and 64 of The Securities Act, 1966 (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution

(a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered to the public in the course of primary distribution

(a) a purchaser has a right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice, and

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

Certificates

Dated: May 28, 1969

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, under the Securities Act (Quebec) and by Section 13 of the Securities Act (New Brunswick).

(Signed) O. FIDANI
Chief Executive Officer

(Signed) H. HAMISH
Chief Financial Officer

On behalf of the Board of Directors

(Signed) ALBERT PAGE
Director

(Signed) R. M. HANBURY
Director

Directors

(Signed) O. FIDANI

(Signed) V. HEINRICHS

(Signed) H. HAMISH

(Signed) E. FIDANI

(Signed) ALBERT PAGE

(Signed) W. BARTOLINI

(Signed) R. M. HANBURY

(Signed) JOSEPH PATERSON

Underwriter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia) and the regulations thereunder, by Part 7 of The Securities Act, 1967 (Alberta) and the regulations thereunder, by Part VIII of The Securities Act, 1967 (Saskatchewan) and the regulations thereunder, by Part VII of The Securities Act, 1968 (Manitoba) and the regulations thereunder, by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder, under the Securities Act (Quebec) and by Section 13 of the Securities Act (New Brunswick).

WOOD GUNDY SECURITIES LIMITED

By: (Signed) J. ROSS LEMESURIER

The following includes the name of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of Wood Gundy Securities Limited: C. L. Gundy, W. P. Wilder, J. N. Cole, E. S. Johnston, J. K. McCausland, P. J. Chadsey and J. R. LeMesurier.